

EXHIBIT 88

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C O N F I D E N T I A L

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF WYOMING

No. 1:22-cv-00125-SW

DEPOSITION OF CAITLIN LONG

November 29, 2023

CUSTODIA BANK, INC.,

Plaintiff,

vs.

FEDERAL RESERVE BOARD OF GOVERNORS and FEDERAL
RESERVE BANK OF KANSAS CITY,

Defendants.

APPEARANCES:

WILLIAMS, PORTER, DAY & NEVILLE, P.C.

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1 (Deposition Exhibit No. 251 marked.)

2 BY MR. MICHAELSON:

3 Q Which is a document marked Custodia 1094.

5 Q It's a presentation dated May 2021.

6 A Okay.

7 Q Do you recall this document?

8 A Yes, I do recall looking at a couple of
9 slides. This is probably the document that we
10 prepared for our meeting with the board in May.

11 Q So May of 2021 in a meeting with the Board
12 of Governors?

13 A Yes.

14 Q And this is after the principals had been
15 released, and who at the Board of Governors did you
16 meet with?

17 A It was organized by Mark Van Der Weide.

18 There were a lot of board people on that meeting. I
19 don't recall everyone who was on it. There were
20 board legal people. There were board supervision and
regulation people. There were board innovation
policy people and board reserve bank operations
people. Those were generally what I recall as who
24 was on there. It was a lot.

25 0 Was it an in-person meeting?

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1 A No. It was by Zoom.

2 Q And how long did it last?

3 A An hour.

4 Q And who was the principal speaker on behalf
5 of Custodia?

6 A I was.

7 Q Did anyone else speak on behalf of
8 Custodia?

9 A Derek Bush, and I'm not sure who else, but
10 the management team would have been on.

11 Q Who were the primary speakers on behalf of
12 the board?

13 A Mark. It was Mark's meeting.

14 Q So Mark Van Der Weide was the primary
15 speaker?

16 A Yes.

17 Q AND did you walk through this -- at that
18 time, where did Custodia's application for membership
19 stand?

20 A We had not applied yet.

21 Q Was that a subject of discussion at the
22 meeting, membership?

23 A No. Actually, what happened is I made the
24 comment that it was on our road map to apply for fed
25 membership, but my understanding based on advice we'd

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1 received is that the fed does not want de novos to
2 become member banks until the banks had been
3 operating for a while and the kinks were worked out.

4 That prompted a call from Mark Van Der Weide
5 to Derek Bush right after the meeting to correct what
6 I had said, that the fed would welcome that, and
7 Derek and Mark spoke, and Derek's interpretation was,
8 "Mark is recommending that you apply for fed
9 membership, so let's do it."

10 Q Do you recall whether the subject of
11 membership came up in this meeting that you had, the
12 Zoom meeting that you had with the board?

13 A It definitely did because Mark made the
14 phone call on the basis of something I said, and I'm
15 just looking here to see if it's mentioned in the
16 slides or what the context was that would have
17 prompted Mark to make that phone call to Derek right
18 afterwards. Nothing's jumping out at me, but
19 obviously, I did say something because he called to
20 correct, and Derek's interpretation of that was Mark
21 wants us to apply to become a member bank now instead
22 of waiting, and we did.

23 Q Did you ask at that meeting -- did Custodia
24 ask at that meeting whether a decision on Custodia's
25 master account in the hands of the Board of

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1 Governors?

2 A No.

3 Q Did the Board of Governors -- anyone on the
4 Board of Governors side represent the Board of
5 Governors was controlling the outcome of Custodia's
6 master account request?

7 A No.

8 Q Did anyone at the Board of Governors
9 indicate that it was Kansas City's decision?

10 A No. The Board of Governors said almost
11 nothing in that meeting.

12 Q They were in listening mode?

13 A They were in listening mode.

14 Q Do you recall walking through this
15 presentation in that meeting?

16 A I recall we spent almost the entire
17 presentation on Slides 4 and 5.

18 Q Slide 4 is what Avanti is and is not?

19 A Yes.

20 Q And Slide 5 is what Wyoming speedy bank
21 charter is and is not?

22 A Yes. Yeah, here actually. Avanti welcomes
23 federal reserve oversight. It's on Page 4. Avanti
24 offered from its inception to apply for membership,
25 still intends to seek it, and is open to defacto

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1 Q And you replied it was Reserve Trust, and
2 you asked Thompson to provide an update. Do you
3 recall learning that Reserve Trust had BSA/AML
4 issues?

5 A Yes.

6 Q Who did you learn that from?

7 A We were interviewing some of their former
8 employees.

9 Q Did you ask -- did you discuss with those
10 employees why Reserve Trust lost its master
11 account?

12 A Chuck Thompson did when he was interviewing.
13 I didn't interview any of the employees, but we
14 interviewed a couple of their former employees who
15 were looking for new jobs.

16 Q So Chuck Thompson interviewed Reserve Trust
17 employees who were looking for new jobs?

18 A Yes.

19 Q And Chuck Thompson learned from them that
20 Reserve Trust had BSA/AML issues?

21 A Yes.

22 Q And Chuck Thompson learned from them that
23 those BSA/AML issues resulted in losing its master
24 account?

25 A That's what they told us. I don't know if

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1 that's true, but that's what they told him. I also
2 recall learning that they didn't have a chief
3 compliance officer. That was also one of the pieces
4 of feedback. It's not here in these meeting minutes,
5 but I was really surprised that they didn't have a
6 chief compliance officer.

7 Q In your view can a speedy that doesn't have
8 a chief compliance officer obtain a master account?

9 MR. ORTIZ: Let me object; lacks foundation.

10 Go ahead.

11 A That also calls for a legal conclusion.

12 We're about to find out.

13 BY MR. MICHAELSON:

14 Q Refer to the next page, FRBKC 2882,
15 "Chairman Long asked Thompson to give the board a
16 BSA/AML policy update"; do you see that? It's the
17 last paragraph.

18 A Yes.

19 Q And you provided a high-level overview?

20 A Um-hum.

21 Q You stated, "The policy is a living document
22 that has changed"; do you see that?

23 A Yes. All policies are living documents that
24 have been changed.

25 Q At this time, did you have -- as of May

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1 2022, did Custodia have BSA/AML policies and
2 procedures that were complete and final and ready to
3 go?

4 A Policies, yes; procedures, I don't know
5 because we'd switched over to Foundry at this point,
6 so anytime you switch a vendor, the procedures are
7 going to change, but the policy had been in place and
8 had been continually updated since 2020.

9 Q Do you recall where things stood with
10 Foundry as of May 2022?

11 A Not specifically, no.

12 Q Was their work complete as of May 2022?

13 A I doubt it, but we were heavy in the new
14 vendor onboarding and integration around that time
15 because we'd replaced them earlier in the year.

16 Q And the minutes reflect that "The policy
17 will continue to change as a result of engaging Crowe
18 to help advise regarding best practices"?

19 A Yes.

20 Q So does that refresh your memory as to
21 whether Crowe had not yet completed its work as of
22 May 2022?

23 A I don't know. Again, Crowe was actually --
24 there was ongoing work. We're still working with
25 Crowe, so there was the initial assessment, and then